

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 SSO-00 NSCE-00 USIE-00 INRE-00

SP-02 AID-05 EB-07 NSC-05 CIEP-01 TRSE-00 SS-15

STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03 INR-07

NSAE-00 USIA-06 XMB-02 OPIC-03 LAB-04 SIL-01 L-03 H-02

PA-01 PRS-01 INT-05 /090 W

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FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 6497

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E.O. 11652: N/A

TAGS: EINV, EMIN, PFOR, PE, US

SUBJECT: MARCONA EXPROPRIATION - MOOD AT MINISTRY OF MINES

REF: LIMA 6988 AND 6991

1. AFTER TRYING UNSUCCESSFULLY FOR TWO DAYS TO SEE AMBAS-
SADOR DE LA PUENTE (WHOSE OFFICE SAID HE WAS FULLY ENGAGED
WITH NAC), A/DCM TELEPHONED DR. CESAR DELGADO AT MINISTRY OF
ENERGY AND MINES AND RECEIVED PROMPT APPOINTMENT AUGUST 26.
DELGADO TOOK POSITION THAT HE AND OTHER MEMBERS OF COMMISSION
(WITH, HE HINTED, EXCEPTION OF DASSO) ARE ANXIOUS TO REACH
EARLY ACCOMMODATION WITH MARCONA. HE SAID HE AND HIS GROUP
COULD UNFORTUNATELY DO NOTHING ABOUT DECREE LAW, BUT WERE
ACTIVELY THINKING OF OTHER WAYS TO RESOLVE PROBLEM. HE SAID
THE FIRST MEETING WITH MARCONA ON AUGUST 18 HAD BEEN UNFOR-
TUNATE, ABOVE ALL BECAUSE NEITHER SIDE HAD PUT THEIR CARDS
ON THE TABLE; HOWEVER, IN SUBSEQUENT MEETINGS WITH COMPTON
HE FELT CLEAR UNDERSTANDING OF EACH SIDE FOR THE POSITION OF
THE OTHER HAD EMERGED. HE ALSO VOLUNTEERED THAT HE UNDERSTOOD
PERFECTLY WHY MARCONA HAD INSTITUTED A SUIT OVER THE DEPLETION
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ALLOWANCE AND SAID THIS WOULD IN NO WAY INTERFERE WITH ATMOS-

PHERE OF TALKS OR DETERMINATION TO FIND SOLUTION TO PROBLEM WHICH IS HURTING BOTH SIDES AND IS IN THE INTEREST OF NO ONE. SURELY, HE SAID, WHEN BOTH SIDES WANT TO SOLVE A PROBLEM THERE MUST BE A WAY TO DO SO.

2. A/DCM REFERRED TO FINANCE MINISTER'S TRIP TO WASHINGTON AND TO UNDERSTANDING WE HAVE THAT HE WILL BE DISCUSSING MARCONA PROBLEMS WITH U.S. AGENCIES, BUT THAT MINISTRY WOULD NOT BE ABLE TO TAKE POSITION IN MATTER UNTIL AFTER HIS RETURN OCTOBER 2. DELGADO SAID HE THOUGHT THIS MUCH TOO LATE.

3. A/DCM SAID HE DID NOT UNDERSTAND QUITE WHERE MATTERS WERE LEFT AFTER THREE GOP MINISTERS NEITHER "ACCEPTED NOR REJECTED" PROPOSAL PREPARED BY COMMISSION (LIMA 6864). DELGADO SAID THAT ALL THIS MEANT WAS THAT GOP PREFERRED TO HAVE PROPOSAL COME FROM MARCONA AND THAT ANY SUCH PROPOSAL WOULD RECEIVE PROMPT ATTENTION. A/DCM NOTED THAT MARCONA APPEARED TO BE CONSIDERING TWO POSSIBILITIES, ONE A PRESENTATION BY COMPTON AND OTHERS AT THE COMPANY LEVEL, AND THE OTHER A PRESENTATION MADE BY A SENIOR THIRD PARTY, PRESUMABLY AT THE MINISTERIAL LEVEL. DELGADO SAID HE THOUGHT EITHER APPROACH WOULD BE ACCEPTABLE AND IF THE LATTER WERE SELECTED, HE FORESAW NO DIFFICULTIES IN ARRANGING APPROPRIATE MEETINGS FOR A REPRESENTATIVE OF, FOR EXAMPLE, THE "CASA BLANCA." THE ONLY PROBLEM IS THAT SENIOR GOP OFFICIALS ARE OCCUPIED WITH THE NAC AND SUCH A MEETING COULD NOT BE ARRANGED BEFORE NEXT WEEK. HE SAID THAT IF LATTER COURSE WERE CHOSEN, HE HOPED ANY SUCH SENIOR REPRESENTATIVE WOULD BE ACCOMPANIED BY COMPTON, WHO KNEW FACTS AND HAD CONFIDENCE OF PERUVIANS, AND BY EXPERT IN SHIPPING.

4. IN PARTING, A/DCM SAID HE, TOO, WISHED TO PLACE CARDS ON TABLE, AND THAT HE HAD IMPRESSION THAT MARCONA IS VERY SUSPICIOUS AND WOULD NOT WANT TO REACH AGREEMENT ON SHIPPING AND CONTRACTS UNLESS IT WERE SATISFIED THAT ITS INTERESTS WERE PROTECTED. DELGADO SAID HE UNDERSTOOD THIS AND THAT IT WAS ONLY REASONABLE.

5. COMMENT: WE DO NOT KNOW HOW FAR TO TRUST DELGADO; HE HAS A REPUTATION AS A LEFTIST, AND AS A TRUSTED ADVISOR OF MINES LIMITED OFFICIAL USE

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MINISTER FERNANDEZ MALDONADO HE CAN HARDLY PART COMPANY TOO WIDELY FROM HIS RADICAL CHIEF. HOWEVER, HIS ATTITUDE WAS OPEN AND FRIENDLY AND HE SEEMED TO WISH TO COOPERATE CLOSELY WITH US IN RESOLVING THIS PROBLEM. CERTAINLY HIS WORDS, TAKEN AT FACE VALUE, WERE VERY ENCOURAGING. WE HAVE INFORMED COMPTON OF THIS CONVERSATION BY TELEPHONE, AND HE SEEMED TO REGARD IT AS A GOOD SIGN, ALTHOUGH HE SAID THAT, IN PRACTICAL TERMS, HE WAS UNCERTAIN WHAT IT MEANT.

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